

1-1984

Analysis of Professional Schools of Accounting and Related Issues

Frank R. Rayburn

Follow this and additional works at: <https://egrove.olemiss.edu/wcpa>



Part of the [Accounting Commons](#), and the [Women's Studies Commons](#)

Recommended Citation

Rayburn, Frank R. (1984) "Analysis of Professional Schools of Accounting and Related Issues," *Woman C.P.A.*: Vol. 46 : Iss. 1 , Article 6.

Available at: <https://egrove.olemiss.edu/wcpa/vol46/iss1/6>

This Article is brought to you for free and open access by the Archival Digital Accounting Collection at eGrove. It has been accepted for inclusion in Woman C.P.A. by an authorized editor of eGrove. For more information, please contact egrove@olemiss.edu.

An Analysis of Professional Schools of Accounting and Related Issues

By Frank R. Rayburn

During each of the last three decades, the American Institute of Certified Public Accountants (AICPA) has taken positive steps to formalize their long-standing interest in the education and experience requirements for Certified Public Accountants. In 1959, the Council of the Institute adopted thirteen resolutions on education and experience requirements which had been recommended by the AICPA Commission on Standards of Education and Experience for CPAs.¹

Recognizing the dynamics of the profession, the "Report of the Committee on Education and Experience Requirements for CPAs"² (hereinafter the Beamer Report) was adopted by the Council of the AICPA in 1969. This action superseded the 1959 resolutions and amendments that had been made thereto. Among other things, the Beamer Report stipulated that "*Horizons for a Profession*³ is authoritative for the purpose of delineating the common body of knowledge to be possessed by those about to begin their professional careers as CPAs."⁴ The report also stated that "at least five years of college study are needed to obtain the common body of knowledge and should be the educational requirement."⁵

While the current resurgence of interest in accounting education may be traceable to the Beamer Report, there was little, if any, progress toward 5-year curricula prior to July 1973, when the Board of Directors of the AICPA endorsed and encouraged the establishment of professional schools of accounting at receptive colleges and universities.⁶

In 1978, the Task Force on the Report of the Committee on Education and Experience Requirements for CPAs⁷ (hereinafter the Albers Report) generally reaffirmed the Beamer Report with three major differences. First, the emphasis on at least 5 years of college study was changed to "at least 150 semester hours of college study."⁸ This change was made to stress the scope and content of the educational program rather than a time frame. Secondly, the Albers Report specifically states that the education program should lead to a graduate degree.⁹ The third major difference is the stipulation that "the AICPA should encourage the development of quality programs of professional accounting (or schools of professional accounting) and participate in their accreditation."¹⁰

In the period following the Institute's endorsement of professional schools

of accounting, debate of the pros and cons of this approach to accounting education has accelerated. A study of the literature suggests that the major benefits of a professional school of accounting result from 1) curriculum autonomy, 2) control over admission standards, 3) greater flexibility in promotion and tenure standards, 4) a higher degree of budget autonomy and 5) increased professional stature.

The purpose of this article is to review and analyze the experience of colleges and universities in the development of professional programs in accounting during the period following the action of the AICPA in 1973. Included in this report are the relative degree of autonomy professional schools have attained, the curriculums that have been developed, the admission standards that have been established, the degrees currently awarded, the different organizational structures that are operational, the implementation of the 5-year curricula¹¹ and the status of the accreditation process. In the section on curriculum, a detailed comparison has been made of a 5-year curricula to the "sample program" recommended by the Institute.¹²

Of the twenty-eight five-year professional programs that have been established since 1973, eight were selected for this study.

Degree of Autonomy

Illustrative of the arguments that quality accounting education can be optimized by a faculty who have control over curriculum, the quality of students admitted, the promotion and tenure of faculty, and the budget is the following excerpt from the Implementing Guidelines for membership in the Federation of Schools of Accountancy:

Accountancy faculty and administrators shall have a substantially controlling role comparable to that accorded other professional programs at the university:

1. In matters of faculty selection, retention, compensation, promotion and tenure.
2. In developing curriculum policy, content and methods of instruction.

3. In establishing academic standards for admission, retention, advancement and graduation of students.
4. In developing, submitting and administering the budget of the accounting unit.¹³

Table 1 presents the degree of autonomy each of the eight schools have attained in each of these areas. Note that two of the schools (University of Mississippi and C.W. Post Center) have "complete autonomy" which means they are an operating entity separate from the business school. Their actions are not subject to approval by other business school faculty nor by the dean of the business school. At the other extreme is the University of Missouri where all matters except promotion and tenure must be approved by the business school faculty and dean.

Although complete autonomy is appealing, one should not make value judgments, based on the information in Table 1, that one degree of autonomy is good and another is bad. Remember, the objective is quality accounting education, and contingent upon the total environment, one operating mode may prove to be as effective as another.

Curriculum

Of the eight schools examined, five have integrated graduate degree programs which require over 150 semester hours of work (Brigham Young, Florida, Georgia, Mississippi and Southern California). The other three schools (Denver, Missouri and C.W. Post) have undergraduate programs and graduate programs which together total at least 150 semester hours, but the student must exit the 4-year undergraduate program and apply for admission to the graduate school for the advanced degree. For comparative purposes, the semester hours required for the undergraduate program and for the graduate degree have been summed for these three schools and treated as one program.

Table 2 is a "deficiency matrix" which reflects the negative differences in each school's five-year curriculum as compared to the sample 150 semester hour program recommended by the AICPA. For example, the University of Denver requires 6 2/3 semester hours less of mathematics and statistics than the AICPA recommends.

As of April 1983, the AACSB has accredited fifty-one accounting programs at twenty-eight schools. Nine of these schools have five-year programs.

When interpreting these data, remember the Institute has said the sample program "should be viewed as one possible means for implementing *Horizons for a Profession*."¹⁴ The AICPA also has stated that "this program is intended to be descriptive rather than prescriptive."¹⁵

Nevertheless, the data suggest some differences in philosophy between the AICPA and the academic community¹⁶ as to the necessary background for professional accountants. Half of the schools do not require the recommended hours in business law. Additionally, three of the schools deviate from the recommendations for behavioral science, mathematics and statistics, finance, quantitative applications in business and computers and information systems (the financial accounting set is excluded from this discussion because of the relatively small deviations).

In each case, however, there are sufficient elective hours so that an individual student could design a program that would be in complete harmony with the sample program. This result would, of course, be contingent on either the student's own initiative or academic advising, but at this point in time, having that flexibility is encouraging.

Specializations

The Albers Report recognizes that all accounting graduates do not pursue careers in public accounting and suggests that electives might be used to develop 150-hour programs with specializations in taxes, auditing, computers and information systems, and accounting for not-for-profit entities. The specializations in curriculum available at the selected schools are reflected in Table 3.

Only one of the schools provide a specialization in not-for-profit accounting. This is one of the growth markets for the future and professional schools should be encouraged to develop a not-for-profit track. Also note that three of the programs have not developed an Auditing (Public Accounting) specialization at this time (two of these three schools have no formal specializations).

Internships

AICPA policy statement number 7 says "student internships are desirable and are encouraged as part of the educational program."¹⁷ Only Brigham Young University and the University of Florida have internships available as electives. None of the eight schools require an internship for students. I suspect many faculties discard internships because of seemingly insurmountable problems: locating employers; matching students and employers; supervising the process so the internship is a meaningful part of the academic program; number of credit hours to award; and so on. Those schools who have internships available confirm that these problems are real, but not unmasterable. The potential benefits to the profession of a well-designed internship demands continuing attention.

Admission Standards

Overcrowded classrooms, short supply of faculty, and low performance on the CPA examination are just three factors which suggest student input into professional schools must be screened. Fred Skousen placed this issue in focus with the following statement.

Only those students with a reasonable chance of success ought to be encouraged into accounting. It does not make sense to allow students to be trained as professional accountants if they will not be successful and happy in their careers.¹⁸

One would expect differences in the admission standards established by the eight selected schools, and there are some, but all eight schools require essentially a B average as a minimum for admission to either an integrated 5-year program or to a graduate program. Adoption of similar admission standards at all professional schools

TABLE 1
Professional Schools of Accountancy Degree of Autonomy

	Brigham Young Univ.	Univ. of Denver	Univ. of Florida	Univ. of Georgia	Univ. of Miss.	Univ. of Missouri	C.W. Post ^a Center	Univ. of So. Cal.
Admission Standards	CD	CD	CD*	CD	C	N**	C	CD
Budget	CDL	CD	CD	CD	C	N	C	ND
Curriculum	CD	CD	CD	N	C	N	C	CD
Promotion & Tenure	N	CD	CD	N	C	CD	C	CD

^a C.W. Post Center is a division of Long Island University

C = complete autonomy, School of Accountancy is a separate entity

CD = complete autonomy, but subject to approval by Dean of College of Business

CDL = complete autonomy, budget goes through Dean's office but is a line item from Central Administration

N = No autonomy, all actions must be approved by Faculty of College of Business

ND = No autonomy, all actions must be approved by the Dean, School of Business Administration

*Please note that the Dean of the College of Business is also Dean of the School of Accounting

**School of Accountancy can have higher standards than other units in the College

TABLE 2
Comparison of 5 Year (150 Semester Hour Minimum) Curriculums and the Sample Program Recommended by the AICPA (Deficiency Matrix)

	AICPA Sample Program Hours	Brigham Young Univ. Hours	Univ. of Denver Hours	Univ. of Florida Hours	Univ. of Georgia Hours	Univ. of Miss. Hours	Univ. of Missouri Hours	C.W. Post Center Hours	Univ. of So. Cal. Hours
General Education									
Communication	6-9	a							
Behavioral Science	6	a		-6		-3			-2
Economics	6	a							
Elementary Acct.	3-6								
Intro to Computer	3								
Math & Statistics	12	a	-6 ^{2/3} b		-2				-4
Other General Education	24-18	a							
Sub-Total	60								
General Business Education									
Econ. (Theory & Monetary Sys)	6		-3 ^{1/3}		-2 ^{2/3}				
Legal & Social Environ. of Bus.	3								
Business Law	6		-2 ^{2/3}		-2 ^{2/3}		-3		-2
Marketing	3								
Finance	6					-3			-2
Organ., Group & Indiv. Behavior	3-6								
Quantitative Applications in Bus.	6				-2 ^{2/3}		-6	-3	
Written Communication	3							-3	
Sub-Total	36-39								
Accounting Education									
Financial Accounting Theory									
Applied Fin. Acct. Problems	15		-1 ^{2/3}		-1	-1	-1		
Contemporary Fin. Acct. Issues									
Cost Determination & Analysis									
Cost Control	6				-2 ^{2/3}				
Cost-based Decision Making									
Tax Theory & Considerations	6			-1 ^{1/3}			-3		
Tax problems									
Audit Theory & Philosophy	6				-2 ^{2/3}		-3		
Audit Problems									
Computers & Information Sys.	6	-3					-3	-3	
Sub-Total	39								
Electives	15-12								
TOTAL	150								-4

^aThe Institute of Professional Accounting at BYU does not control 39 hours of Pre-IPA General Education Courses

^bPartial semester hours result from converting quarter hours to semester hours.

^cThis table was prepared early in 1981. The deficiencies may be corrected by now.

TABLE 3
Professional Schools of Accountancy
Specializations Available in the 5-Year Curriculum

	Brigham Young Univ.	Univ. of Denver	Univ. of Florida	Univ. of Georgia	Univ. of Miss. ^c	Univ. of Missouri ^c	C.W. Post Center	Univ. of So. Cal.
Auditing (Public Accounting)	X	X	X				X	X
Computers & Information Systems (Management Advisory Services, Systems)	X		X	X ^b				
General				X	X	X		X
Management Accounting	X	X	X				X	X
Not-for-Profit (Public Sector)				X				
Taxes	X	^d	X	X			X ^a	X

^aSeparate degree program

^bBeginning 1981-82 academic year

^cThese schools have no formal specializations, but electives allow the students to develop specializations

^dThe University of Denver School of Accountancy and the Law School jointly offer a Master of Taxation degree.

would significantly improve the quality of students entering accounting programs and this should have a dramatic impact on the overall quality of accounting education.

Degrees Offered

To promote professionalism through increased visibility of 5-year professional programs in accounting, the Federation of Schools of Accountancy recently reaffirmed its support of Master of Accountancy (M.Acc.) as the preferred degree title for 5-year programs.¹⁹ This unique degree designation has been adopted by five of the eight schools. The other three schools and all other professional schools should be encouraged to change to this degree title. In a few years, M.Acc. should be as well known as the M.B.A.

Organizational Structure

Neither the Albers Committee nor the AICPA has recommended a preferable organizational structure for higher education in accounting and they should be commended for their restraint. Each university environment has some unique characteristics. Where schools completely separate from the business school may be the only viable structure in one case, the same organization may be either impossible or deemed unnecessary in another environment.

Of the eight sample schools, Florida, Mississippi and C.W. Post Center are organized as separate schools (Florida's School of Accounting does share a dean with the College of Business). None of the other professional schools are organized as separate units.

The School of Accounting at the University of Georgia has been awarded professional program status by their Board of Regents. While no change in organizational structure has yet resulted from this action, the effect is to place the accounting program in a status similar to the other professional programs on that campus; e.g., Law, Pharmacy and Veterinary Medicine.

When considering the organizational structure in conjunction with the data in Table 1, there appears to be a high correlation between organizational structure and the degree of autonomy. Whereas this should not surprise anyone, it does suggest, perhaps, that the implementation of professional pro-

Professional schools should provide for specializations in the educational process combined with high admission standards.

grams in accounting will continue to be hampered until they are accorded professional status as a unit independent of the business school.

Implementation of 5-Year Curriculum

Nine years after action was taken by the Board of Directors of the AICPA in support of professional programs in accounting, there are twenty-eight professional schools and an unknown number in varying stages of development. As of the Fall 1980, each of the schools in this study had 5-year curriculums which were operational (two of the schools, Georgia and Southern California, started 5-year programs in the Fall 1980). Although not a part of this study, not all of the other thirteen professional programs have 5-year curriculums developed and approved.

There seems to be at least four major factors that have impeded the development of 5-year curricula:

1. Inadequate understanding and support from administrators at both the university and business school levels.
2. Lack of understanding and support from faculty in other business disciplines.
3. An eagerness on the part of accounting administrators and faculty to become involved in the professional school movement without an understanding of the level of commitment necessary to implementation of substantial curriculum changes.
4. Demand for the program is uncertain. Recruiters from the profession still go to college campuses and tell students they don't need an advanced degree.

Accreditation

The Albers Report states that the Institute should participate in the accreditation of professional accounting programs.²⁰ Without recounting all that has transpired, it is important to note that in May 1978 the American Assembly of Collegiate Schools of Business (AACSB), the accrediting agency for business schools, appointed an Accounting Accreditation Planning Committee (AAPC) comprising representatives of the American Accounting Association, the American Institute of Certified Public Accountants, Financial Executives Institute and the National Association of Accountants. After a very lengthy and deliberative process, the AAPC recommended standards for the accreditation of accounting programs.²¹ At its June 1980 meeting, the AACSB Accreditation Council overwhelmingly approved the proposed standards and accounting programs could request initiation of the accreditation process as early as September 15, 1980.

James H. MacNeill, director of relations with educators for the AICPA, summarized the importance of separate accreditation for accounting programs as follows:

*"Until now, AACSB standards have focused only on management programs, of which accounting was a segment. Adoption of the new standards satisfies a need to identify high quality accounting programs to students, guidance counselors, recruiters and others."*²²

This is another major step in professionalizing the accounting curriculum.

Conclusion

The results of this study suggest that several arduous years of effort by both the practicing and academic segments of the profession have wrought increased recognition and opportunity for higher education in accounting. Some significant steps have been taken in the professionalization of accounting education, but much remains to be done.

While a greater degree of autonomy for more schools appears necessary, several professional programs have attained meaningful control over curriculum, admission, promotion and tenure and the budget. The compatibility of 5-year programs to the

"sample program" of the AICPA indicates a sensitivity to the perceived needs of the practicing profession by academe that is encouraging. Much work is yet to be done in curriculum development, however. Given the growing complexity of the profession, it is imperative that professional schools provide for specializations in the educational process. High quality admission standards have been established in these professional programs. Other professional schools need to be encouraged to follow suit. The issue of organizational structure is far from being resolved, but compromise is evident. The development and approval of 5-year degree programs has been slow. The support of the profession is critical to the acceleration of this process. Finally, the AACSB has approved the separate accreditation of accounting programs, a major step in attaining the level of recognition necessary to a professional school. Professional programs must move to comply with the standards established by AACSB and to seek accreditation. Ω

POSITIONS AVAILABLE

The University of Central Florida has the following openings for Fall, 1984: **ONE ASSOCIATE/FULL PROFESSORSHIP.** Primary research/teaching interests in Auditing, Accounting Systems, or Accounting for Not-for-Profit Organizations; secondary teaching area in financial or managerial accounting; minimum ten years teaching experience including participation on doctoral dissertation committees; continuous research and publication background; possession of appropriate doctorate required; CPA, CMA, and/or CIA and recent practical experience desirable; salary competitive and dependent on qualifications.

TWO ASSISTANT PROFESSORSHIPS. Primary research/teaching interests in Auditing, Accounting Systems, or Accounting for Not-for-profit Organizations; secondary teaching area in financial or managerial accounting; must have research interest; possession of appropriate doctorate, CPA, CMA, and/or CIA, and recent practical experience desirable; will consider ABD; salary competitive and dependent on qualifications. The University is an Equal Opportunity Affirmative Action employer. We encourage applications from minority members and women for these positions. Please contact Dr. Henry R. Anderson, Director, School of Accounting, University of Central Florida, P.O. Box 25000, Orlando, Florida 32816. Telephone (305) 275-2463.

NOTES

¹American Institute of Certified Public Accountants, *Education Requirements for Entry Into the Accounting Profession: A Statement of AICPA Policies* (New York: American Institute of Certified Public Accountants, 1978) pp. 28-30.

²American Institute of Certified Public Accountants, *Report of the Committee on Education and Experience Requirements for CPAs* (New York: American Institute of Certified Public Accountants, 1969).

³Robert H. Roy and James H. MacNeill, *Horizons for a Profession* (New York: American Institute of Certified Public Accountants, 1967).

⁴*Report of the Committee on Education and Experience Requirements for CPAs*, 1969, p. 6.

⁵*Ibid.*, p. 6.

⁶"AICPA Endorses Professional Schools of Accounting," *Journal of Accountancy* (September 1973) 20-21.

⁷*Education Requirements for Entry Into the Accounting Profession*, 1978.

⁸*Ibid.*, p. 13.

⁹*Ibid.*, p. 4.

¹⁰*Ibid.*, p. 4.

¹¹Because most of the programs studied require more than 150 semester hours for a graduate degree, the term "5-year" is used interchangeably with 150 semester hours.

¹²*Ibid.*, pp. 12-27.

¹³Federation of Schools of Accountancy, *Newsletter*, April 1980.

¹⁴*Ibid.*, p. 11.

¹⁵*Ibid.*, p. 11.

¹⁶Some of these deficiencies could result from a difference of opinion between the respective accounting faculty and the Albers Committee. It is also possible that there is congruence between the accounting faculty and the AICPA, but disagreement between the rest of the business school faculty and the accounting faculty.

¹⁷*Ibid.*

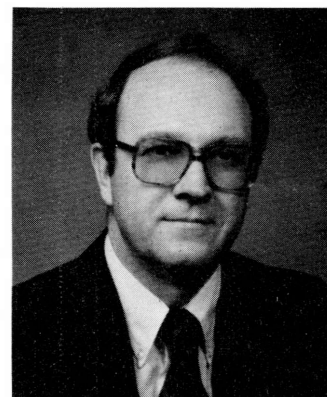
¹⁸K. Fred Skousen, "Accounting Education: The New Professionalism," *Journal of Accountancy* (July 1977): 56.

¹⁹Federation of Schools of Accountancy, *Newsletter*, April 1980.

²⁰*Education Requirements for Entry into the Accounting Profession*, 1978, p. 4.

²¹Accounting Accreditation Planning Committee, *Proposed AACSB Standards for Accreditation of Accounting Programs* (St. Louis: American Assembly of Collegiate Schools of Business, Revised March 1980).

²²"AACSB Council adopts rules to accredit accounting programs," *Journal of Accountancy* (August 1980) 10.



Frank R. Rayburn, Ph.D., CPA, CMA, is a professor of accounting at The University of Alabama. He is a member of the American Accounting Association and the Institute of Management Accounting. His works have been published in several professional journals.